

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2017

Docket No. ACR2017

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 12

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 12, issued on February 1, 2018. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE
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1. Please explain the reason(s) that the Postal Service did not file notice with the Commission describing this change [the change in the application of the last mile profile from stratification by the type of final processing operation which occurred to stratification by the number of days remaining to meet service standard after final processing occurred] at least 30 days before planned implementation.

RESPONSE:

The change at issue to the methodology for estimating performance for First-Class Mail Presort Letters/Postcards, the presort portion of First-Class Mail Flats, USPS Marketing Mail, Periodicals, and Bound Printed Matter Flats was first implemented in the first quarter of FY2017 (i.e., the last quarter of calendar year 2016). The Postal Service expressly identified this change in methodology in each of the quarterly reports that it filed with the Commission for FY2017 data, starting with the quarterly report filed for the 1st quarter data on February 9, 2017.¹ At the time of its initial implementation in the first quarter of Fiscal Year 2017 (which was the last quarter of Calendar Year 2016), the personnel implementing the change were not aware of the need to provide notice of this type of change in advance of the quarterly report for that quarter. The Postal Service has since ensured that the Postal Service Enterprise Analytics group is aware of the need to file notice of any such change with the Commission at least 30 days in advance of its implementation.

¹ See, e.g., Quarterly Service Performance Reports for Quarter 1 of FY 2017, filed with the Commission on Feb. 9, 2017 ("In connection with the Commission's rules pertaining to periodic reports, 39 C.F.R. § 3055, I have enclosed copies of the following reports for Quarter 1 of FY 2017"). For example, the first tab ("Overview") of the Excel file for Quarterly Performance for Presort First-Class™ Letters/Postcards that was enclosed with that filing stated as follows: "The methodology for estimating performance for Presort First-Class™ Letters/Postcards was modified slightly for Quarter 1 FY 2017. The application of the last mile profile was changed from stratification by the type of final processing operation which occurred to stratification by the number of days remaining to meet service standard after final processing occurred. This methodology change was made to improve the accuracy of the performance estimates as the new methodology better accounts for the relationship between time spent in last mile and time spent in processing."

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2. Please describe the steps that the Postal Service takes to determine whether it is necessary to file notice of changes to measurement systems, service standards, service goals, or reporting methodologies with the Commission.

RESPONSE:

To determine whether changes to measurement systems, service standards, service goals, or reporting methodologies are material such that they trigger the advance notice requirement of Rule 3055.5, the Postal Service Enterprise Analytics organization understands that it is to confer with the Postal Service Law Department about any anticipated changes that may reasonably be considered material in their informed view, even if there is some doubt, so that the Postal Service can assess whether advance notice should be filed.

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3. Please describe the steps that the Postal Service will take in the future to ensure the filing of notice of all changes to measurement systems, service standards, service goals, or reporting methodologies at least 30 days before planned implementation.

RESPONSE:

As the Postal Service indicated in response to ChIR No. 16, question 4, filed in Docket No. ACR2016 on February 17, 2017, "The Postal Service Enterprise Analytics organization is aware of the requirement and commits to coordinate with the Postal Service Law Department to ensure timely notification of material changes to market dominant source service performance measurement systems." As noted in the response to Question No. 1 above, the Postal Service first implemented the change presently at issue in the first quarter of Fiscal Year 2017 (last quarter of Calendar Year 2016), *prior to* its filing of that response to ChIR No. 16 in Docket No. ACR2016 on February 17, 2017. By the time that the Postal Service filed its response to ChIR No. 16 in Docket No. ACR2016 on February 17, 2017, the Postal Service had in fact already disclosed the change in methodology now at issue when it filed its quarterly report for the 1st quarter of FY2017 on February 9, 2017. As stated in the response on February 17, 2017, the Postal Service reiterates that its Enterprise Analytics organization has been aware of the requirement at least since February 2017 and remains committed to coordinating with the Postal Service Law Department to ensure timely notification of material changes to market dominant source service performance measurement systems.